# CHAPTER 5: DOCUMENT APPROVAL – SETUP GUIDE

## Objectives

The objectives are:

- Set up the general features for the document approval system.
- Set up the document templates to include in document approval.
- Set up approval users and approval amount limits in a hierarchy.
- Test the approval set up.
- Set up the notification system for document approval.
- Send out overdue notifications.
- Define how to delegate approvals to a substitute person.

## Introduction

The new sales and purchase document approval system is suitable when a document needs approval from another person in the company before it is used.

This section is an introduction to the implementation consultant responsible for setting up the new document approval system. The section covers the general setup of users and documents to approve, including amount limits. Additionally, the section discusses how to customize the e-mail notification system related to the approval system.

The setup will be done in close cooperation with the accounting manager or another similar key role at the customer site. This role is familiar with the users in the company's sales and purchase departments. This key person is also responsible for defining the relevant documents to approve and setting the approval hierarchy and the amount limits for sales and purchase documents.

***NOTE:*** *For detailed information about how to use the document approval system, refer to the section titled "Document Approval User Guide."*

# Approval Setup

This topic introduces the setup of the new sales and purchase document approval system.

Open the Administration menu, Document Approval, and then Setup.

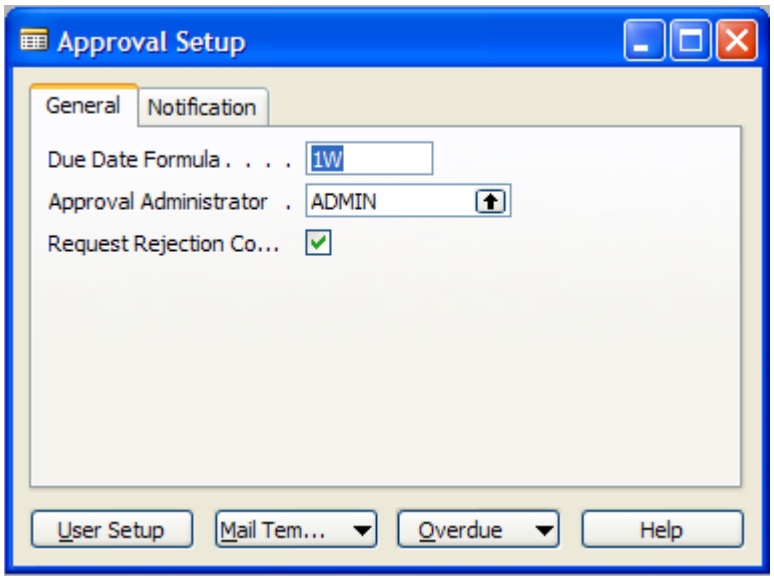


FIGURE 5-1: APPROVAL SETUP

On the **General** tab, the overall settings are set up, such as:

- The formula for the date by which approvals must be made, for example within one week (1W).
- The administrator of the approval system. The administrator has permissions to set up all the users and can go in and check documents for all users.
- Whether or not the rejection of a document must be explained by the approver in a comment note.

The administrator of Approval Setup:

- Has access to all setup functions.
- Maintains the hierarchy of approvers.
- Decides which sales and purchase documents to approve.


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# Approval Templates

The **Approval Templates** window lets users select which types of sales or purchase documents to include in the approval process, and which approval and limit type to use for each document.

A set of standard templates has been provided for this purpose in the **Approval Templates** window. The options are as follows:

- Quote (Quotation)
- Order
- Invoice
- Credit Memo
- Return Order
- Blanket Order

All the templates here are created for both purchases (P) and sales (S), except from the purchase receipt.

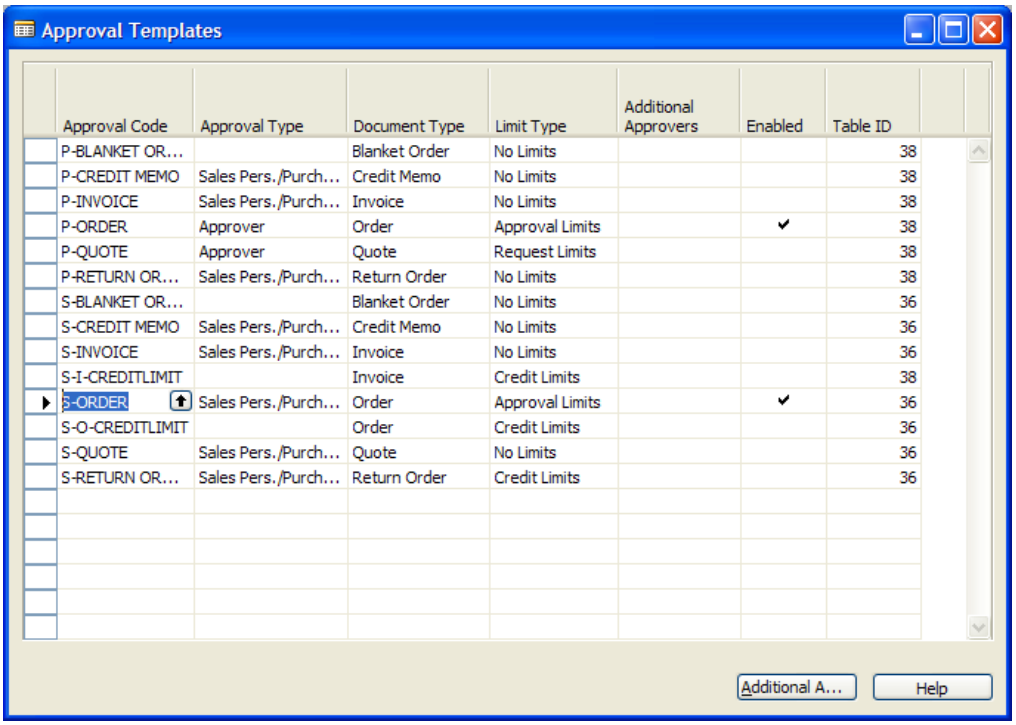
Approval Templates
Approval Code
Approval Type
Document Type
Limit Type
Additional Approvers
Enabled
Table ID
P-BLANKET OR... Blanket Order No Limits 38
P-CREDIT MEMO Sales Pers./Purch... Credit Memo No Limits 38
P-INVOICE Sales Pers./Purch... Invoice No Limits 38
P-ORDER Approver Order Approval Limits ✔ 38
P-QUOTE Approver Quote Request Limits 38
P-RETURN OR... Sales Pers./Purch... Return Order No Limits 38
S-BLANKET OR... Blanket Order No Limits 36
S-CREDIT MEMO Sales Pers./Purch... Credit Memo No Limits 36
S-INVOICE Sales Pers./Purch... Invoice No Limits 36
S-I-CREDITLIMIT Invoice Credit Limits 38
S-ORDER Sales Pers./Purch... Order Approval Limits ✔ 36
S-O-CREDITLIMIT Order Credit Limits 36
S-QUOTE Sales Pers./Purch... Quote No Limits 36
S-RETURN OR... Sales Pers./Purch... Return Order Credit Limits 36
Additional A...
Help

FIGURE 5-2: APPROVAL TEMPLATES

The templates for each document type define how the approval process is managed – the route it must follow, so to speak, and the fields that it must check. Approval code is only a short name of the template (the document type defines the document).

## Approval Type

Approval type defines the type of approval. The typical approval flow is used when the type is set to **Approver.** The alternative flow is used when the type is set to **Sales Pers./Purchase Pers.** (It requires a sales or purchase person to be defined in the **Approval User Setup** window to work correctly.)

For example, a salesperson is the natural person connected to a sales order and therefore it must be passed on to the salesperson's approval flow. For the purchase order in the earlier example, the typical approver flow is used, following the hierarchy of approvers of the person who creates the order.

## Approval Limits

The limit type explains how the specific document type will be handled according to amount limits, as show in the following table.

| Amount Limits | Definition |
|---|---|
| No Limits | There is no check on amount limits.<br>This option requires that an additional approver is set up. It is typically used in the situation where a hierarchy of users is not established, but where the same additional approver approves everything. |
| Approval Limits | There is a check on the approver's approval limit when approving a document. |
| Request Limits | Used for a purchase request and checks if the approver has permission to make a purchase request on that amount. |
| Credit Limits | The credit limit on a customer is checked. This only applies for sales orders. |

The limits are checked against the Approval User Setup described later in this section.

***NOTE:*** *In order to use the approval limits type* ***Credit limits*** *for sales orders, the credit limit must always be active and more than zero on the customer.*


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## Enabling the Templates

A template is selected by highlighting the line and checking the column **Enabled**. In figure 5-2, notice that the purchase order and sales order templates are enabled. These two document types are used throughout the scenarios in the Document Approval User manual.

***NOTE:*** *You have to activate each template in this manner to enable the approval system. By default it is disabled because otherwise the users cannot post anything on these documents.*

The table ID for the table connected to the template is displayed for information. For example, the ID displays that it is connected to the purchase header.

## Additional Approvers

If users want additional approvers to approve a certain document type, they can type it in the Additional Approvers column.

***NOTE:*** *This can also be used as a short way to define the approval hierarchy if you do not want to specify all the roles and management levels in the Approval User set up.*

*For example, this can be used in a small company where the manager or the owner has to approve everything. Then the manager can be set as additional approver for all documents. In the earlier example there are no additional approvers, because the hierarchy is defined in the next topic.*

***NOTE:*** *Refer to the online help for more information about fields in the* ***Approval Templates*** *window.*

The approval templates are prepared for partners to add more templates as a business opportunity.

# Set Up Approval Users in a Hierarchy

Implementers set up the hierarchy of approval users and amount limits in the **Approval User Setup** window. In the **Approval Setup** window, click the **User Setup** button to open the **Approval User Setup** window. This is the main setup window in the approval process, and requires that the users are already set up in Microsoft Dynamics NAV with permissions and logon IDs.

The following table shows an example of an approval hierarchy from Cronus, the demonstration company.

| User ID | Salespers./Purch. Code | Approver ID | Sales Amount Approval Limit | Unlimited Sales Approval | Purchase Amount Approval Limit | Unlimited Purchase Approval | Request Amount Approval Limit | Unlimited Request Approval | Substitute |
|---|---|---|---|---|---|---|---|---|---|
| Admin | | | | √ | | √ | | √ | |
| Alicia | | Pmanager | 50000 | | 50000 | | | | |
| Director | | Admin | | √ | 100000 | | 100000 | | |
| Mark | | Smanager | 20000 | | 20000 | | | | |
| Pmanager | | Director | 100000 | | 100000 | | | | |
| PS | PS | Director | 100000 | | 100000 | | | √ | Admin |
| SManager | | Director | 100000 | | 100000 | | | | |
| Submark | | Smanager | 20000 | | 20000 | | | | |
| Susan | | Smanager | 50000 | | 50000 | | | | |

In this hierarchy, Susan is the sales order processor and Alicia is the purchasing agent. They have amount limits set to 50,000 LCY for both sales and purchases. Their managers are the sales manager (SManager) and the purchase manager (PManager) respectively. The managers have amount limits of 100,000 LCY for both sales and purchases.

Heading the two managers is an overall director of the company. The director has unlimited sales approval and a high request amount approval limit because the director collects purchase receipts for the whole company.

The administrator (Admin) is the highest level in this hierarchy. The administrator has unlimited approval in all categories, even approval rights above the director.

The **User ID** refers to the user ID from the user's logon information, for example "Admin."

The **Sales Person/Purchaser Code** field refers to the code that can be used to refer to this person from a document, for example sales order or purchase order. In this way, the system can be set up to use this person's approval flow instead of the original approver's flow. This feature is described further in the Document Approval User section in the topic covering alternative approval flow.


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The **Approver ID** is the user ID of the approving person, for example the manager.

**Sales Amount Approval Limit** refers to the amount limit for the sales order process. When the sales order exceeds this limit, the document is sent to the approver.

**Purchase Amount Approval Limit** refers to the amount limit for the purchase order process. When the purchase order exceeds this limit, the document is sent to the approver.

**Request Amount Approval Limit** refers to the amount limit for the purchase request process. When the purchase request exceeds this limit, the document is sent to the approver.

**Unlimited Approval**. An approval person can have unlimited approval limits for sales, purchases or requests. Instead of specifying an amount, a check mark is placed in the relevant unlimited field.

The **Substitute** field allows the possibility to add a substitute approver. This is described further in the topic covering substitute approvers later in this section.

There must always be an administrator in this setup, where the administrator can:

- Have rights above all other users.
- Add new users.
- Set substitute approvers.
- Connect new documents to approve.
- View pending approvals for all users.

***NOTE:*** *There is no check in the system to ensure that an administrator with unlimited approval rights is set up.*

***NOTE:*** *The* ***Test Approval Set Up Report*** *tests the setup on a user by user approach.*

An e-mail address of each approver is specified so that the notification system can send e-mails out for approval (if the notification system is used).

The setup shown in the table in this topic is used as a foundation for the examples later in this section and the demonstrations in the section titled "Document Approval - User Guide."

# Testing Approval User Setup

It is required to test the user setup for errors before using the document approval system. The implementation consultant conducts the test in close cooperation with a person familiar with the customer's company, the users and their roles.

In the **Approval User Setup** window, click the **Approval User Setup Test** button. The test is done user-by-user, entering the user ID in the window that appears.

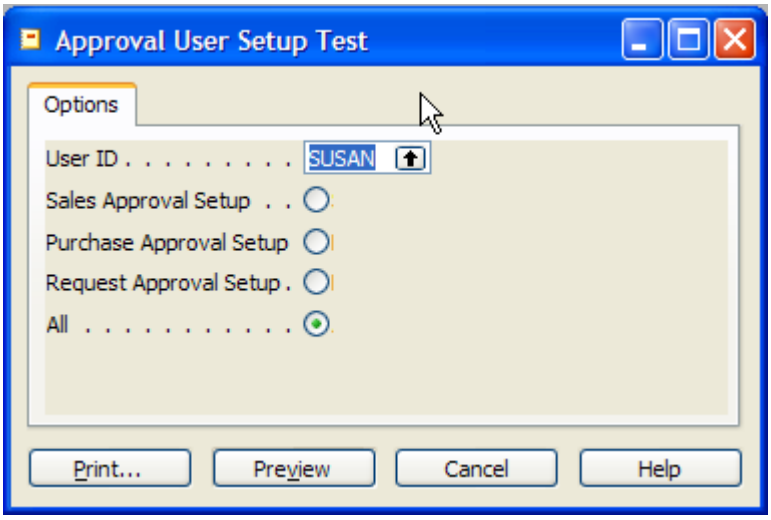


FIGURE 5-3: APPROVAL USER SETUP TEST

You can test each user for any of the following, depending on what flow this user is a part of:

- Sales approval setup
- Purchase approval setup
- Request approval setup
- All

It is recommended to select **All.** The test ensures that there are no loops in the approval process and that the amount limits on different manager levels are set up correctly.

For example, if the amount limit is set to 50,000 for the purchasing agent, the amount limit for the purchasing manager must be set to be equal to or more than 50,000 for the system to work properly. After running the test, it is possible to print or preview the report on the screen.


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The following two examples show what outcomes of the test look like.

**Example 1**. Setup created correctly for Susan, the order processor at Cronus:

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***Test Setup - Sales Approval Limits***

| User ID | Approver ID | Salesamount Limit | Unlimited Sales Approval | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 50000 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 100000 | No | OK | | 2 |
| DIRECTO | ADMIN | 0 | Yes | OK | Unlimited approvals. | 3 |

Sales Approval Setup appears to be OK.

***Test Setup - Purchase Approval Limits***

| User ID | Approver ID | Purchaseamount Limit | Unlimited Purchase Appro | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 50000 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 100000 | No | OK | | 2 |
| DIRECTO | ADMIN | 100000 | No | OK | | 3 |
| ADMIN | | 0 | Yes | OK | Unlimited approvals. | 4 |

Purchase Approval Setup appears to be OK.

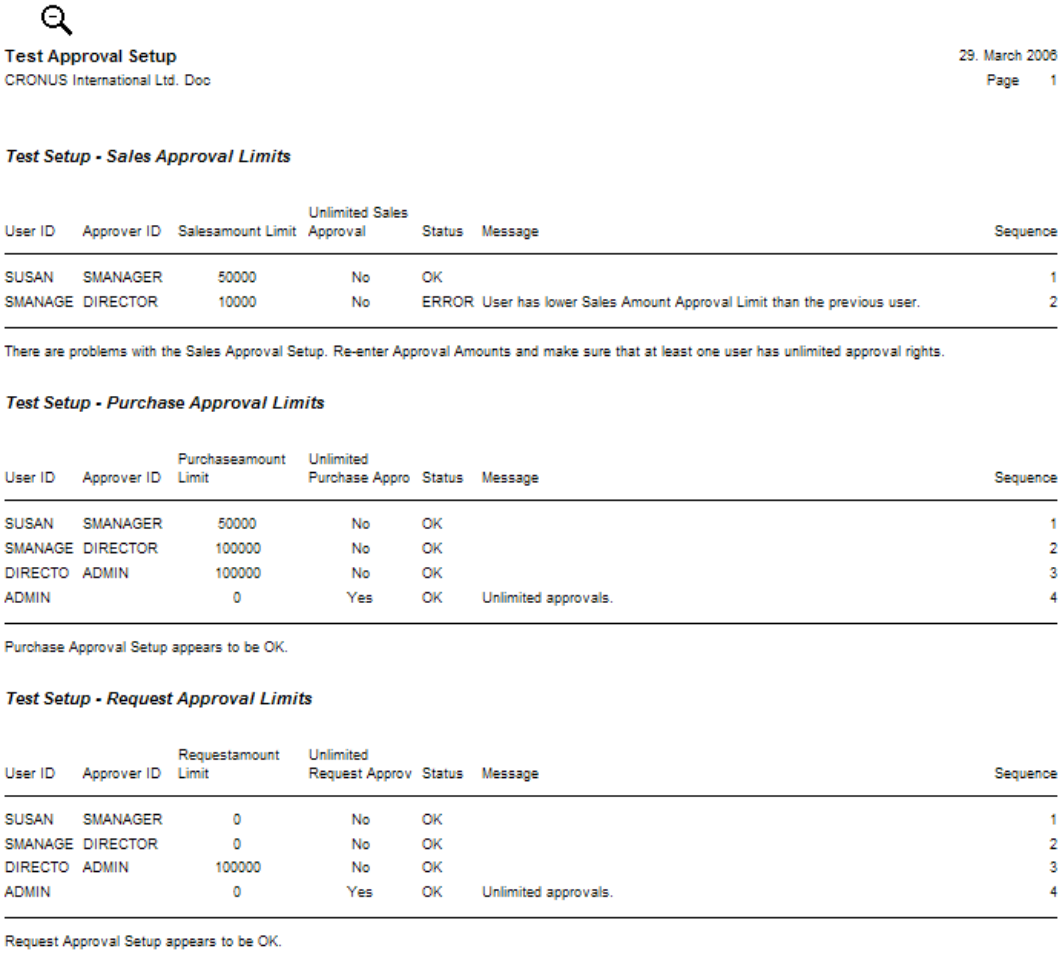
***Test Setup - Request Approval Limits***

| User ID | Approver ID | Requestamount Limit | Unlimited Request Approv | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 0 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 0 | No | OK | | 2 |
| DIRECTO | ADMIN | 100000 | No | OK | | 3 |
| ADMIN | | 0 | Yes | OK | Unlimited approvals. | 4 |

Request Approval Setup appears to be OK.

FIGURE 5-4: TEST APPROVAL SETUP – EXAMPLE 1

**Example 2.** Setup created incorrectly for Susan, The Order Processor at Cronus:



**Test Approval Setup** 29. March 2006
CRONUS International Ltd. Doc Page 1

***Test Setup - Sales Approval Limits***

| User ID | Approver ID | Salesamount Limit | Unlimited Sales Approval | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 50000 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 10000 | No | ERROR | User has lower Sales Amount Approval Limit than the previous user. | 2 |

There are problems with the Sales Approval Setup. Re-enter Approval Amounts and make sure that at least one user has unlimited approval rights.

***Test Setup - Purchase Approval Limits***

| User ID | Approver ID | Purchaseamount Limit | Unlimited Purchase Appro | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 50000 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 100000 | No | OK | | 2 |
| DIRECTO | ADMIN | 100000 | No | OK | | 3 |
| ADMIN | | 0 | Yes | OK | Unlimited approvals. | 4 |

Purchase Approval Setup appears to be OK.

***Test Setup - Request Approval Limits***

| User ID | Approver ID | Requestamount Limit | Unlimited Request Approv | Status | Message | Sequence |
|---|---|---|---|---|---|---|
| SUSAN | SMANAGER | 0 | No | OK | | 1 |
| SMANAGE | DIRECTOR | 0 | No | OK | | 2 |
| DIRECTO | ADMIN | 100000 | No | OK | | 3 |
| ADMIN | | 0 | Yes | OK | Unlimited approvals. | 4 |

Request Approval Setup appears to be OK.

FIGURE 5-5: TEST APPROVAL SETUP – EXAMPLE 2

In the example shown in Figure 5-5, the amount limit for Susan's manager is lower than her limit of 50,000 LCY. The Sales Manager's limit is set incorrectly to 10,000 LCY for the purpose of this example. A message displays the error: "User has lower Sales Amount Approval Limit than the previous user". The limit should be changed to 100,000 LCY.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# Set Up the Notification System

A notification system is designed to send notifications to the users in case a document needs approval or in case an approval gets overdue. The notification system is mandatory to use.

Implementers set up the basics of the notification system on the **Notifications** tab of the **Approvals Setup** window.

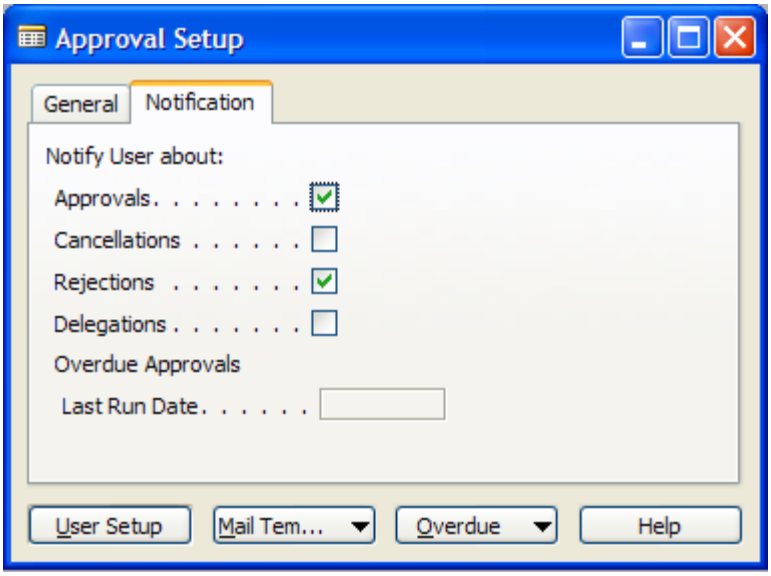


FIGURE 5-6: APPROVAL SETUP - NOTIFICATION

In the **Notifications** tab, specify when the system automatically sends notification e-mails about events.

| Amount Limits | Definition |
|---|---|
| **Approvals** | Approvals are selected when you want the system to notify you of approvals. This must always be set when you want to use the new document approval system in Microsoft Dynamics NAV 5.0. By default it is disabled because the user must go in and enable it. |
| **Cancellations** | Cancellations are selected if the approver wants to be notified about any cancellations made on the documents approved by the approver. It can be good to be notified about this, but the number of e-mail messages can also affect the performance of the system. |

| Amount Limits | Definition |
|---|---|
| **Rejections** | Rejections are selected if you want to be notified if any rejections are made on your approval documents. It is recommended to enable this to be able to know if any documents are rejected. |
| **Delegations** | Delegations are selected if you want to be notified that an approval task has been delegated. |

At the bottom of the window, in the **Last Run Date** field, you can view the last time that the **Overdue Approvals** function was run.

Using the notification system is optional. If you do not want to use it, make sure none of the boxes are selected in the **Notification** tab.

Alternatively, each user can go in directly and view the pending approvals from the **Approval Entries** window located in the Order Processing part of the Sales & Marketing and Purchase menus.

## Server Setup for Notifications

When you decide to use the notification system, the SMTP server has to be set up. This is performed in the IT administration menu under General setup, SMTP mail setup.

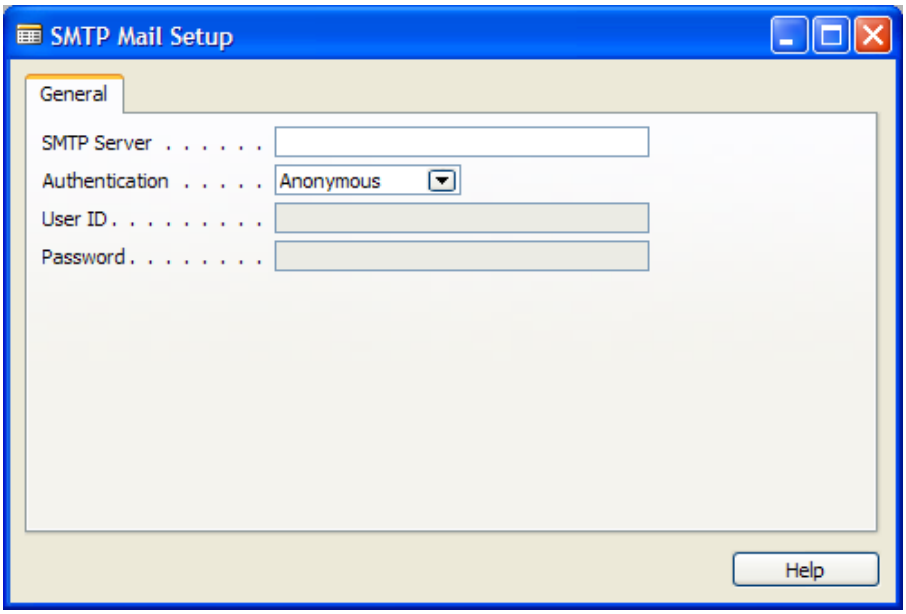


FIGURE 5-7: SMTP MAIL SETUP

Specify the name of the SMTP server and type a User ID and Password.


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# Send Overdue Notifications

Overdue notifications are sent out by the administrator, for example as a weekly routine, to make sure all users will remember to approve their documents.

To send overdue notifications to all users, click the **Notification** button, then select **Overdue Notification**, and then **Send Notification Mails**.

The e-mail messages are now sent to the approvers, and the **Last Run Date** field is updated with the date for the last Overdue Notification run.

The date formula makes sure that overdue approvals already sent out are not sent out again. It is calculated as the last run date plus the due date formula specified in the due date formula field on the **General** tab of the **Approval Setup** window. In this case it is one week (1W).

## Overdue Documents

The system automatically enters a creation date for all documents, and calculates a due date by using the due date formula (for example, the creation date plus one week). Documents are overdue if the current date exceeds the due date.

**Example**
Overdue messages are sent out today. The approvals that have a due date before today's date receive an overdue notification. When the overdue check is run next time, the system checks on last run date plus one week (according to the due date formula). Everything that has a due date before this date receives a notification.

A list of all the overdue approvals that were found and sent out is shown in the **Overdue Notification Entries** window. This is a log that displays if there are any entries. If the window is empty there are no overdue entries.

Users cannot edit in the **Overdue Notification Entries** window. This is only an information log from the system.

## Notification Templates

Implementers can customize the templates for the e-mail messages to send out to the approvers. This is performed by clicking the **Notifications** button and selecting **Notification Templates** and then **Approval Template**. Use this function to import, export, or delete e-mail templates to send out for approval of documents. The corresponding templates for overdue documents can be managed in a similar manner in the overdue templates function.

The implementation consultant will work with the accounting manager and other people responsible for the implementation project to agree on the text for these templates. Afterward, the implementation consultant will import them.


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***NOTE:*** *Microsoft delivers these templates together with the demo data company. They must be copied from here to other databases. It is important to do it in this manner for the templates to work correctly.*

Again, you do not have to use the e-mail notification part of the document approval system. But it helps to remind users to check for incoming approvals.

## Delegating to Substitute Approvers

The administrator is responsible for maintaining the **Approval User Setup** window where substitute approvers are added to the approval flow. When a substitute approver is added to a user, all documents will be sent directly to the substitute person when the administrator starts the delegate entries function.

If the notification system is set up to send notifications when delegating documents, an e-mail is sent to the user whose document has been delegated. Otherwise no notification is sent.

The administrator will open the **Approval Request Entries** window and start the **Delegate** function to send notifications to substitute approvers if anyone is out of the office, for example, because of illness or vacation (select entries for bulk delegation).

In the **Approval Request Entries** window, the administrator can see all entries in the document approval system and check the status and dates for the approvals. The status **Open** indicates the approval document that has to be approved next.

***NOTE:*** *In case the approver's substitute is also out of the office, the administrator has to go in and change the substitute approver manually in the* ***Approval Setup*** *window.*


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# Conclusion

The new sales and purchase order document approval system is a comprehensive tool to use for documents that need approval from another person in the company.

This section examined how to set up the basic parameters needed before the new document approval system can be used. The hierarchy of approval managers and amount limits must be considered carefully to ensure a balance between the number of steps in the approval process and security.

The optional e-mail notification function is flexible and can be customized to suit the individual company's needs.

The section titled "Document Approval – User Guide" examines the actual use of the document approval system.


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# Lab 5.1 – Set up Document Approval

**Scenario**: You are the Accounting Manager at Cronus. To become familiar with the new document approval system as preparation for the first meeting with the implementation consultant, you are about to go in and check the different setup windows.

## Challenge Yourself!

- Open the **Approvals Setup** window.
- View the **General** tab.
- Open the **Approval User Setup** window and view the different fields that exist in this window.
- Set up a small approval flow, if you have any users available in your version of the system.
- View the **Notifications** tab in the **Setup** window.
- Open the **Approval Templates** window.
- View the different templates available in the system.

## Need a Little Help?

- Open the **Administration** menu, then **Application Setup**, and then **Document Approval**. Click **Approval Setup** and select the **General** tab. Look at the fields on the **General** tab.
- In the **Approval Setup** window, click the **User Setup** button to open the **Approval User Setup** window. This is the window where all the users are set up in an approval hierarchy.
- In the **User ID** field use the drop down menu to select a user from your Logons. Try to create some users and give them approval amount limits. Refer to the example displayed in the section titled "Set up Approval Users in a Hierarchy." Close this window.
- In the **Approval Setup** window select the **Notification** tab. Look at the fields on the **Notification** tab.
- Open the **Administration** menu, then **Application Setup**, and then **Document Approval**. Click **Approval Templates.** The **Approval Templates** window displays all the different templates available in the notification system.


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## Quick Interaction: Lessons Learned

Take a moment and write down three key points you have learned from this chapter:

1.

2.

3.

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